



CITY DEAL
Preston, South Ribble & Lancashire

Making homes happen

CITY DEAL EXECUTIVE & STEWARDSHIP BOARD 20th October 2021

Homes England Quarterly Monitoring Progress Update Report

Quarter 1 and 2 of 2021 / 22

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1. Report Overview

- 1.1. This report provides an update on the progress that has been made in relation to Homes England sites that form part of the Preston, South Ribble and Lancashire City Deal. The update relates to activity that has taken place during the first and second quarters of the 2021 / 22 financial year, between 1st April and 30th September 2021.
- 1.2. The report focuses on key delivery milestones, finances invested, and outputs generated, and provides a breakdown of the key risks and any emerging issues relevant across the portfolio of Homes England City Deal sites.

2. Recommendation

- 2.1. Homes England recommends that the City Deal Executive and Stewardship Board:

Note the content of this report and the progress made by Homes England during the first two quarters of the 2021 / 22 financial year.

3. Homes England Site Highlights

- 3.1. During the previous financial year 2020/21, the global pandemic 'Covid-19' impacted the delivery of development across all of Homes England's City Deal sites.
- 3.2. Developer operations ceased for a period during the first national lockdown in Q1 2020/21, and whilst construction resumed, delivery was then further affected by materials shortages caused by supply chain issues and a lack of staff and equipment following the second and third national 'lockdowns' that took place 31st October – 2nd December 2020, and 6th January to 12th April 2021 respectively. Development across all sites continues, with the pace of delivery now back to pre-Covid rates.
- 3.3. Key highlights from the first and second quarters of 2021 / 22 are set out in the table below:

Phase / Plot	Status	Completions/ Total Units	Completions (Jan – Mar)	Finance (Jan – Mar)	Summary
1. Cottam Hall					
Phase 1	Phase 1 completed by Barratt Homes	104 / 104 (100%)	n/a	n/a	Build-out of site complete

Phase 2	Story Homes on-site	138 / 283 (48%)	4	n/a	Build out of the site ongoing. 4 completions achieved Q1 / Q2 of 2021 / 22
Phase 3	Morris Homes on-site	44 / 119 (21%)	19	n/a	Build out of the site ongoing. 19 completions achieved Q1 / Q2 of 2021 / 22.
Phase 4	Unconditional deal agreed with Rowland Homes March 2021	2 / 138 (1%)	2	n/a	Site build-out has commenced. 2 open market completions were achieved in Q2 2021 / 22
Phase 5	Barratt Homes reserved matters application pending decision	0 / 215 (0%)	n/a	n/a	Barratt Homes selected as preferred developer partner in March 2021 under conditional contract. Reserved matters submitted Q1 2021 / 22 with decision anticipated Q3 2021 / 22.
Phase 6 (Plot 14)	Countryside on-site delivery	25 / 68 (37%)	25	n/a	Site build-out has commenced. 25 units have been completed in Q1 and Q2 of 2021 / 22
Phase 6 (Plot 15)	Start on site made Q2 2021 / 22	0 / 117 (0%)	n/a	n/a	Site disposed of on a conditional basis to Barratt Homes in March Q4 2019 / 20. Reserved matters consent achieved February 2021. Start on site achieved Q2 2021/22 first completions anticipated Q3 2021 / 22.
Local Centre	Start on site made Q1 2021. Completion anticipated Q3 2021 / 22	n/a	n/a	n/a	Unconditional deal agreed with Thistlewood Properties in October 2020. Build out of site anticipated to complete Q3 2021 / 22.
2. Cottam Brickworks					
Access agreement	Commercial discussions ongoing	0 / 260 (0%)	n/a	n/a	Commercial discussions ongoing
3. Land at Eastway					
Residential Plot	Story Homes on-site completing build out	142 / 329 (43%)	8	n/a	Built out of site on-going. 8 completions achieved in Q1 / 2 of 2021 / 22.
Commercial Plot	Site under conditional contract with HSB Healthcare	n/a	n/a	n/a	Site under conditional contract with HSB Healthcare. Planning application submitted September 2020. Decision pending.

4. Whittingham Hospital					
Phase 1	Taylor Wimpey has completed Phase 1	150 / 150 (100%)	n/a	n/a	Taylor Wimpey has completed build out of Phase 1.
Phase 2	Preferred bidder Barratt David Wilson selected Q4 2019/20.	0 / 248 (0%)	n/a	n/a	Reserved matters consent granted Q4 2020 / 21. Start on site commenced under licence Q1/2 2021 / 22, building lease still to complete.
Phase 3 (A,B and C)	De-risking of asset ongoing prior to disposal (forecast in 3 phases)	0 / 238 (0%)	n/a	n/a	De-risking of asset ongoing prior to disposal (forecast in 3 phases). Phase A at conditional stage with reserved matters application decision pending. Phase B anticipated to be marketed Q3 2021 / 22.
Phase 4	De-risking of asset ongoing prior to disposal	0 / 273 (0%)	n/a	n/a	Phase 4 anticipated to be marketed Q3 2021 / 22
5. Preston East					
Expansion Area	Marketing of site concluded Q2 2020/21. Finalising HoT with preferred bidder.	c.62,500 sq m employment floorspace	n/a	n/a	Homes England finalising heads of terms with preferred bidder. Exchange of conditional contract (subject to planning) anticipated Q3 2021 / 22.
Sector D	Build-out of site complete.	n/a	n/a	n/a	Build-out of site complete.
6. Pickerings Farm					
n/a	Outline planning application resubmitted	0 / 275 (0%) no. of Homes relate to Homes England land only	n/a	n/a	Revised outline planning application submitted Q2 2021/22. Decision pending.
7. Altcar Lane					
n/a	Continued build-out of site by Lovell	85 / 200 (43%)	14	n/a	14 completions have been achieved during Q1 and 2 of 2021/22
8. Croston Road North					
n/a	Build out of site ongoing	0 / 400 (0%)	n/a	n/a	Start on site made during Q4 2020/21. Build out of site ongoing with first units anticipated to be completed Q3 2021 / 22.

9. Croston Road South						
Phase 1	Miller Homes has completed Phase 1	96 / 96 (100%)	n/a	n/a		Miller Homes has completed build out of Phase 1
Phase 2	Miller Homes on-site	79 / 79 (100%)	o	n/a		Build out of site completed Q4 2020 / 21
10. Brindle Road						
n/a	Complete	46 / 46 (100%)	n/a	n/a		All units completed and all finances paid.
11. Walton Park Link						
n/a	Morris Homes on site	73 / 293 (25%)	o	n/a		Build out of site ongoing

4. Finance

- 4.1. Homes England is currently still on track to pay most of the £37.5 million grant by 2023 / 24, however following a review of this position under the Homes England Business Disposal Plan (BDP) Refresh (2020 / 21 – 2023 / 24); some grant is now envisaged to be paid up to 2030 in relation to Croston Road North, unless the grant cap is reached sooner in line with the Financial Agreement.
- 4.2. In summary, during Q1 and Q2 of 2021 / 22, the following grant and loan payments were made to LCC:
 - 4.2.1. A loan payment of £111,358 and grant payment of £1,028,642 was made in May 2021 in relation to the sale of land at the Eastway commercial site;
 - 4.2.2. A subsequent grant payment of £550,000 was made in June 2021 in relation to overage received on the Eastway residential site;
 - 4.2.3. A loan payment of £2,714,530 was made in June 2021 in relation to the sale of Plot 15 on Phase 6 at Cottam Hall; and
 - 4.2.4. A grant payment of £2,944,257 was made in September 2021 in relation to the receipt of a deferred payment at the Eastway residential site.

5. Affordable Housing Provision

- 5.1. The table below provides a break-down of the on-site affordable homes provision achieved across Homes England’s City Deal sites.
- 5.2. All sites are delivering policy compliant levels of affordable housing either through on-site provision or off-site contributions, except for Whittingham where viability issues have led to a lower level of affordable being provided.

City Deal Site	Total Units Across Site with Planning Consent		Total Units anticipated to be delivered across Homes England Land Only	Of which: Open Market Sales	Of which: Affordable / Social Rent / Shared Ownership	Of which: Percentage Affordable (on-site)	Off-site contribution made for affordable housing? (Y/N)	Completions to date across Homes England Land Only	Of which: Affordable / Social Rent / Shared Ownership	
	Granted	Awaited								
1	Cottam Hall	Up to 1,100	-	1,044	695	349	33%	N	313	96
2	Cottam Brickworks*	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
3	Land at Eastway	329	-	329	280	49	15%	Y	142	15
4	Whittingham Hospital****	909	-	909	751	158	17%	Y	150	17
5	Preston East EA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
6	Pickering’s Farm **	-	275	275	TBC			0	0	
7	Altcar Lane	200	-	200	140	60	30%	N	85	41
8	Croston Road North	400	-	399	340	59	15%	Y	0	0
9	Croston Road South***	254	-	175	149	26	15%	Y	175	26
10	Brindle Road	46	-	46	46	n/a	n/a	Y	46	0
11	Walton Park Link*	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total		3,238	275	3,377	2,491	701	n/a	n/a	911	195

* The landowner / developers at Cottam Brickworks and Walton Park Link are responsible for obtaining planning consent for the development proposed, not Homes England.

** The 275 units at Pickering’s Farm relate to the original Homes England land forming part of the original City Deal agreement.

*** The 254 units shown as granted comprise: Phase 1 (175 units) completed by Miller Homes, and Phase 2 (79 units) currently under construction.

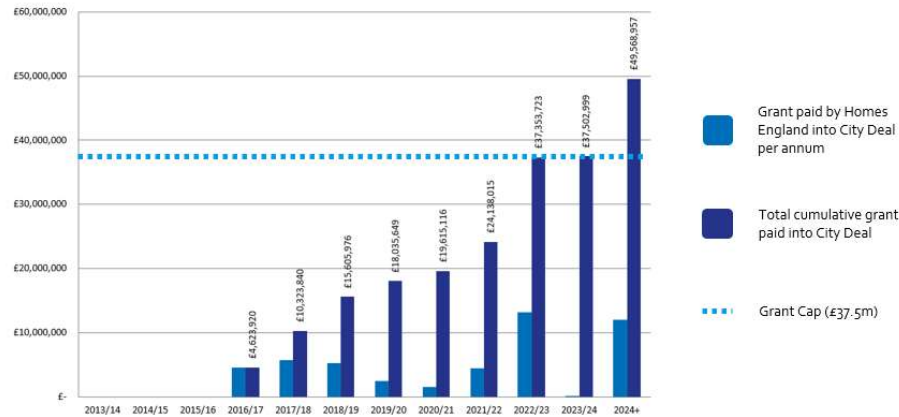
**** Due to viability a lower affordable housing percentage was agreed at the Whittingham site. The 15% on-site provision of affordable housing shown at Whittingham is an average taken across the site’s four development phases. Subject to local requirements, there is potential for an additional off-site contribution to be made towards affordable housing through the re-provision of an education contribution agreed for Phase 4.

6. Summary of Delivery

- 6.1. With on-site delivery less affected by the impact of Covid-19, alongside a strong housing market supported by the stamp duty holiday; development has progressed well across Homes England's City Deal sites during the first two quarters of 2021 / 22.
- 6.2. Several milestones and completions have been achieved including:
 - 6.2.1. Total grant payments of £4,522,899 made to LCC on the back of sales or disposals at Eastway and Cottam Hall sites;
 - 6.2.2. Total loan payments of £2,825,888 made to LCC on the back of sales or disposals at Eastway and Cottam Hall sites;
 - 6.2.3. Start on site made at Croston Road North by Keepmoat;
 - 6.2.4. 50 units completed across various phases at Cottam;
 - 6.2.5. 14 housing completions at Altcar Lane; and
 - 6.2.6. The re-submission of an outline planning application for development at Pickering's Farm.

APPENDIX I - DASHBOARD

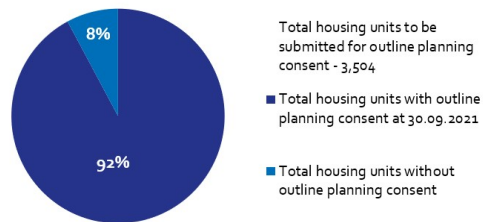
Summary of BDP Payments



BDP Forecast 2020 / 21

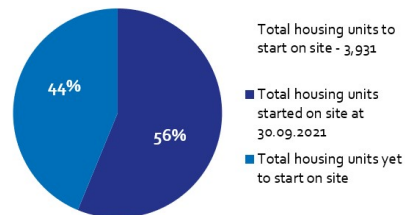
	Q1	Q2	Q3	Q4	In Year Total
Grant	£1.5m	£2.9m	£0	£0	£4.5m
Loan	£2.8m	£0	£0	£0	£2.8m
In year Housing Completions	85		0	0	85

Planning Consents



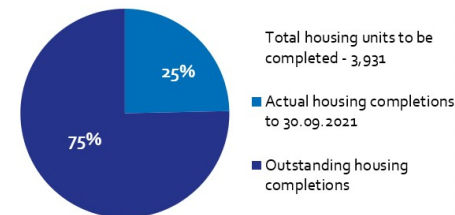
Of the Homes England residential City Deal sites, only Pickering's Farm is yet to achieve planning consent.

Starts on Site



Housing starts have been claimed for 2,210 units on Homes England City Deal sites to date, out of a total 3,931 units (including Walton Park Link and Cottam Brickworks).

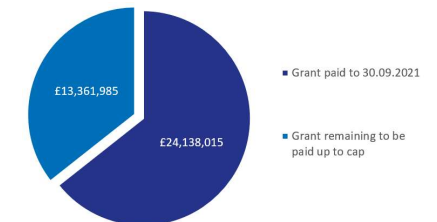
Housing Completions



There have been 969 housing completions to date across Homes England's 11 City Deal sites.

There were 85 housing completions during this reporting period on Homes England sites.

Grant Payments



To date, £24,138,015 has been paid to LCC as grant, with around £13 million remaining to be paid before the grant cap of £37.5million is reached



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